



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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October 4, 2002

TO: Internal File

THRU: Greg Galecki, Team Lead *GA*

FROM: Wayne H. Western, Senior Reclamation Specialist *WHW*

RE: RefusePiles, Canyon Fuel Company, LLC, Dugout Canyon Mine, Permit C/007/039, SR02D

**SUMMARY:**

On April 22, 2002, the Division received a significant revision to the Dugout Mine Plan. The SR included the construction of a refuse pile. The memo will only deal with the reclamation cost estimates associated with the refuse pile.

**TECHNICAL ANALYSIS:**

**RECLAMATION PLAN**

**BONDING AND INSURANCE REQUIREMENTS**

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

**TECHNICAL MEMO**

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**Analysis:**

**Determination of Bond Amount**

Currently the Division holds a reclamation bond for \$3,682,000 for the Dugout Mine. The Division has reduced the reclamation cost estimate during the review of other amendments. The current reclamation cost estimate calculated by the Division is for \$2,141,000 in 2007 dollars

The reclamation amount for the refuse pile is minor in comparison to the current bond amount. There is enough bond to cover the addition of the reclamation pile. Since the current bond exceeds the current reclamation cost estimate no further action need be taken in regards to the bond.

**Findings:**

The information provided in the application meets the minimum requirements for bonding and insurance as required by the Utah Coal Rules.

**RECOMMENDATIONS:**

The Division should approve the bonding and insurance section of the application.